## **HOUSE . . . . . . . . . . . . . . . No. 4476**

### The Commonwealth of Massachusetts

By Mr. Koutoujian of Waltham, for the on committee on Financial Services, on Senate, Nos. 490, 491 and House, Nos. 953, 958 and 961, a Bill relative to exemptions in the Massachusetts automobile insurance plan (House, No. 4476) February 8, 2010.

#### FOR THE COMMITTEE:

NAME:	DISTRICT/ADDRESS:
Peter J. Koutoujian	10th Middlesex

#### The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

# An Act RELATIVE TO EXEMPTIONS IN THE MASSACHUSETTS AUTOMOBILE INSURANCE PLAN.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. The second paragraph of subsection (A) of section 113H of chapter 175, as
- 2 appearing in the 2006 Official Edition, is hereby amended by adding at the end thereof the
- 3 following: -
- 4 Notwithstanding any law, rule, regulation, order, ruling or decision to the contrary, on and after
- 5 January 1, 2011 every insurance company writing private passenger auto insurance in the
- 6 Commonwealth shall be required to accept assignments of risks and/or any apportionment of
- 7 premiums, losses or expenses, pursuant to the plan, and no exemption from such assignments, or
- 8 from the apportionment of premiums, losses or expenses, shall thereafter be permitted; provided,
- 9 however, that any exemption from the assignment of risks previously afforded any such
- insurance company shall be allowed to continue to be used until its expiration, but in no event
- shall any such exemption continue beyond December 31, 2012. Assignments of risks and the
- 12 apportionment of premiums, losses and expenses shall equal the proportion that each such
- company's voluntary business bears to all such companies' voluntary business and as adjusted
- 14 for any credits calculated by the plan.
- 15 SECTION 2. Subsection (B) of section 113H of chapter 175 of the General Laws, as appearing
- in the 2006 Official Edition, is hereby amended by striking out the first paragraph and inserting
- in place thereof the following new paragraph: -
- 18 (B) Such a plan shall be prepared and administered by a governing committee appointed by the
- 19 commissioner for terms of six years, consisting of six members from insurance companies
- 20 participating in the plan and one additional representative from a domestic insurer in the
- 21 commonwealth whose annual motor vehicle policy premiums amount to less than two and one
- half percent (2.5%) of the private passenger insurance market and unaffiliated with any other
- 23 insurance company represented on the governing committee, and six members from associations
- of insurance producers. Effective as of July first, nineteen hundred and eighty-two, the

- 25 governing committee shall consist of three members from insurance companies participating in
- 26 the plan and two members form associations of insurance producers appointed for terms of six
- 27 years, two members from insurance companies participating in the plan, two members from
- 28 associations of insurance producers appointed for terms of four years, two members from
- 29 insurance companies participating in the plan and two members from associations of insurance
- 30 producers for terms of two years. The provisions of this section shall not be construed so as to
- 31 alter or amend the terms of the present governing members. The governing committee shall be
- responsible for the hiring of the employees of the plan.
- 33 SECTION 3. Subsection (D) of section 113H of chapter 175, as appearing in the 2006 Official
- Edition, is hereby amended by inserting after the first paragraph the following new paragraph: -
- A duly licensed insurance producer, certified to place business in the plan, shall own and have an
- exclusive right, as the insured's producer of record, to use certain insurance information of the
- insured embodying the records of the insurance agency which shall include but not be limited to
- the name of the insured, the policy inception date, the amount of insurance coverage, the policy
- 39 number and the terms of insurance. If a policyholder, insured through the plan with an assigned
- 40 risk carrier, is offered voluntary coverage by said carrier and the policyholder accepts the offer,
- 41 the insured's producer of record shall continue to represent the insured written or renewed in the
- 42 voluntary market, and such policy shall be continued to be serviced through the producer of
- record, unless: (1) said producer is decertified or suspended by the plan or the commissioner; (2)
- at the insured's request, the insured terminates such producer as its producer of record; or (3)
- 45 the producer of record is precluded from dealing with other insurance companies pursuant to an
- exclusive agency contract; provided, further, if a policy is written or renewed on a voluntary
- basis, the assigned risk carrier shall pay the insured's producer of record the commission rate as
- set forth in the first paragraph of subsection (D), regardless of whether the producer of record has
- an agency agreement with that assigned risk carrier.
- 50 SECTION 4. Chapter 271 of the Acts of 2008 is hereby amended by striking out in the first
- paragraph the word "2010" in each instance and inserting in place thereof the following word: -
- 52 2015; and by striking out in the second paragraph the word "2011" and inserting in place thereof
- 53 the following word: 2014.